



# House of Representatives

General Assembly

**File No. 220**

February Session, 2012

Substitute House Bill No. 5368

*House of Representatives, April 2, 2012*

The Committee on Transportation reported through REP. GUERRERA of the 29th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

## **AN ACT CONCERNING THE MODERNIZATION OF THE STATE'S TAXICAB INDUSTRY.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 13b-97 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2012*):

3 (a) No person, association, limited liability company or corporation  
4 shall operate a taxicab until such person, association, limited liability  
5 company or corporation has obtained a certificate from the  
6 Department of Transportation certifying that public convenience and  
7 necessity require the operation of a taxicab or taxicabs for  
8 transportation of passengers, the acceptance or solicitation of which  
9 originates within the territory specified in such certificate except as  
10 provided under subsection (d) of this section. No such certificate shall  
11 be issued unless the department finds that the person, association,  
12 limited liability company or corporation is suitable to operate a taxicab  
13 service, after giving due consideration to, at a minimum, the following  
14 factors: (1) Any convictions of the applicant under federal, state or

15 local laws relative to safety, motor vehicle or criminal violations; (2)  
16 the number of taxicabs to be operated under the certificate; (3) the  
17 adequacy of the applicant's financial resources to operate the taxicab  
18 service; (4) the adequacy of insurance coverage and safety equipment;  
19 (5) proof of a dispatch system capable of simultaneous communication  
20 with all taxicabs to be operated under the certificate; (6) proof that  
21 service within the territory requested for the certificate will be  
22 available twenty-four hours a day, seven days a week; and [(5)] (7) the  
23 availability of qualified taxicab operators. The commissioner shall  
24 request the state criminal history records check for any person or any  
25 officer of any association, limited liability company or corporation  
26 applying for such certificate from the State Police Bureau of  
27 Identification. The commissioner shall arrange for the fingerprinting of  
28 any person or any officer of any association, limited liability company  
29 or corporation applying for such certificate and forward the  
30 fingerprints to said bureau which shall submit the fingerprints to the  
31 Federal Bureau of Investigation for a national criminal history records  
32 check for any federal conviction specified in subdivision (1) of this  
33 subsection. [A fee shall be charged by the] The commissioner shall  
34 charge a fee for each such national criminal history records check  
35 which shall be equal to the fee charged by the Federal Bureau of  
36 Investigation for performing such check. Such certificate shall be  
37 issued only after written application, fingerprinting and said criminal  
38 history records check for the same has been made and public hearing  
39 held thereon. The application shall be accompanied by a fee of  
40 [eighty-eight] two thousand dollars and the fee for said criminal  
41 history records check. Upon receipt of such application, the  
42 department shall fix a time and place of hearing thereon and shall  
43 promptly give written notice of the pendency of such application and  
44 of the time and place of hearing thereon to such applicant, the mayor  
45 of each city, the warden of each borough or the first selectman of each  
46 town in which the applicant desires to originate the transportation of  
47 such passengers, and to any common carrier operating within the  
48 territory specified. [Notwithstanding any provision of this subsection  
49 to the contrary, the department may, upon receipt of a written

50 application, amend an existing certificate to increase the number of  
51 taxicabs which may be operated pursuant to the certificate without  
52 holding a hearing on the application, provided the department issues a  
53 legal notice of such application in a daily newspaper in accordance  
54 with the provisions of section 1-2, gives written notice of the pendency  
55 of such application to any common carrier operating within the  
56 territory specified and no objection is filed with the department within  
57 thirty days of each such notice. With respect to any application filed  
58 under the provisions of this subsection, the department shall not  
59 consider as a ground for denial of a request for an increase in the  
60 number of taxicabs to be operated within the territory specified, any  
61 number of taxicabs not currently registered with the Commissioner of  
62 Motor Vehicles at the time of filing of such application or at the time of  
63 any hearing held thereon.] The department shall issue a proposed  
64 decision for all hearings, which shall be reviewed by staff of the  
65 department's regulatory and compliance unit. The applicant and any  
66 party or intervenor to the action may file a reply to the proposed  
67 decision, which shall be taken into consideration during such review.  
68 No new certificate shall be issued to an applicant with fewer than five  
69 taxicabs.

70 (b) Any town, city or borough within which taxicab service is  
71 operated or any interested party may bring a written petition to the  
72 department with respect to fares, service, operation or equipment or  
73 the convenience, protection and safety of passengers and the public.  
74 Thereupon, the department may fix a time and place for a hearing  
75 upon such petition, and give written notice thereof to the parties in  
76 interest at least one week prior to such hearing.

77 (c) No certificate shall be sold or transferred until the department,  
78 upon written application to it setting forth the purpose, terms and  
79 conditions thereof, and after investigation, finds that the purchaser or  
80 transferee is suitable to operate a taxicab service after consideration of  
81 the factors specified in subsection (a) of this section and approves the  
82 same. The application shall be accompanied by a fee of [eighty-eight]  
83 two hundred dollars. The department may, [amend or,] for sufficient

84 cause shown, [may] suspend or revoke any such certificate. The  
85 department may impose a civil penalty on any person or any officer of  
86 any association, limited liability company or corporation who violates  
87 any provision of this chapter or any regulation adopted under section  
88 13b-96 with respect to fares, service, operation or equipment, in an  
89 amount not to exceed one hundred dollars per day for each violation.  
90 The Department of Motor Vehicles shall include the imposition of any  
91 such civil penalty against the operator of a taxicab for violation of  
92 service issues within the operator's control in the record of the taxicab  
93 operator's driver control record maintained pursuant to section 14-  
94 111l. Any such certificate issued by the department shall remain valid  
95 unless suspended or revoked by the department. Any such certificate  
96 issued by the Division of Public Utility Control within the Department  
97 of Business Regulation prior to October 1, 1979, or by any transit  
98 district prior to March 1, 1997, shall remain valid unless suspended or  
99 revoked by the Department of Transportation.

100 (d) Any person, association, limited liability company or  
101 corporation which has obtained a certificate under subsection (a) of  
102 this section, after providing proof to the Department of Transportation  
103 that service has been active, adequate within the subject territories and  
104 in compliance with all statutes and regulations for two years, may  
105 solicit, receive and discharge taxicab passengers at Bradley  
106 International Airport, subject to formal agreement with the  
107 Commissioner of Transportation provided such agreement shall not  
108 take precedence over its obligation to provide taxicab service within  
109 the territory specified in such certificate. Any such person, association,  
110 limited liability company or corporation may discharge taxicab  
111 passengers received at such airport within a territory other than the  
112 territory specified in its certificate. The commissioner may charge and  
113 collect a reasonable fee from any such person, association, limited  
114 liability company or corporation for the privilege of solicitation of such  
115 passengers.

116 (e) Each holder of a certificate shall pay an annual fee of two  
117 hundred dollars per certificate.

118 Sec. 2. Section 13b-97a of the general statutes is repealed and the  
119 following is substituted in lieu thereof (*Effective from passage*):

120 [(a)] The Department of Transportation may, without hearing, issue  
121 to an applicant for authority to operate taxicab service, temporary  
122 authority to operate such service, pending hearing upon his  
123 application and disposition thereof by the department, but such  
124 temporary authority shall not extend over a period of more than one  
125 hundred eighty consecutive days.

126 [(b)] The Department of Transportation may, in an emergency  
127 situation and without hearing, issue to any person, association, limited  
128 liability company or corporation which holds a certificate of public  
129 convenience and necessity issued under the provisions of section 13b-  
130 97, temporary authority to operate such service within or outside the  
131 territory specified in such certificate, pending resolution of such  
132 emergency, but such temporary authority shall not extend over a  
133 period of more than one hundred eighty consecutive days.]

134 Sec. 3. Section 13b-99 of the general statutes is repealed and the  
135 following is substituted in lieu thereof (*Effective October 1, 2012*):

136 (a) Upon the granting of a certificate of public convenience and  
137 necessity as provided in section 13b-97, as amended by this act, the  
138 holder thereof may apply to the Commissioner of Motor Vehicles for  
139 the registration of any taxicab of which [he] the holder is the owner or  
140 lessee and which is to be used as specified in such certificate, and the  
141 Commissioner of Motor Vehicles shall have jurisdiction over the  
142 registration of any taxicab and its exterior lighting equipment and over  
143 the licensing of its operator.

144 (b) Each such taxicab shall be inspected, [biennially] annually, at the  
145 time of renewal of registration of such taxicab, by a repairer or limited  
146 repairer licensed and authorized by the Commissioner of Motor  
147 Vehicles to perform such inspections. The commissioner shall set a fee  
148 for such an inspection.

149     (c) Each such taxicab shall be exempt from the provisions of  
150     subsection (d) of section 14-100a.

151     ~~[(c)]~~ (d) The Commissioner of Motor Vehicles shall adopt  
152 regulations, in accordance with chapter 54, to carry out the purposes of  
153 this section.

154     Sec. 4. Section 13b-103 of the general statutes is repealed and the  
155 following is substituted in lieu thereof (*Effective October 1, 2012*):

156     (a) (1) No person, association, limited liability company or  
157 corporation shall operate a motor vehicle in livery service until such  
158 person, association, limited liability company or corporation has  
159 obtained a permit from the Department of Transportation, specifying  
160 the nature and extent of the service to be rendered and certifying that  
161 public convenience and necessity will be improved by the operation  
162 and conduct of such livery service. Such permits shall be issued only  
163 after a written application for the same has been made and a public  
164 hearing has been held thereon. Upon receipt of such application,  
165 together with the payment of a fee of two hundred dollars, the  
166 department shall fix a time and place of hearing thereon, within a  
167 reasonable time, and shall promptly give written notice of the  
168 pendency of such application and of the time and place of such  
169 hearing to each applicant, the mayor of each city, the warden of each  
170 borough and the first selectman of each town, within which any such  
171 applicant desires to maintain an office or headquarters, to any carrier  
172 legally operating motor vehicles in livery service within the same  
173 territory and to other interested parties as determined by the  
174 department.

175     (2) Notwithstanding the provisions of subdivision (1) of this  
176 subsection, the department may issue a permit for the operation of  
177 vehicles (A) having a capacity of less than eleven adults or to be used  
178 exclusively at funerals, weddings, christenings, processions or  
179 celebrations, without holding a hearing and certifying that public  
180 convenience and necessity would be improved by the operation of  
181 such vehicles, or (B) having a capacity of not less than eleven or more

182 than fourteen adults and used for sightseeing and related purposes,  
183 without holding a hearing, provided the department issues a legal  
184 notice, as provided under section 1-2, of such application and no  
185 objection is filed with the department within thirty days of publication  
186 of such notice.

187 (3) Notwithstanding the provisions of subdivision (1) of this  
188 subsection, the department may issue a temporary or permanent  
189 permit to any person, association, limited liability company or  
190 corporation operating a motor vehicle engaged in the transportation of  
191 passengers for hire by virtue of a contract with, or a lower tier contract  
192 for, any federal, state or municipal agency that (A) is in effect on July 1,  
193 1997, with or without hearing, after a written application for the same  
194 has been made and the department has determined that the applicant  
195 meets the requirements of subsection (b) of this section except with  
196 respect to public convenience and necessity, or (B) becomes effective  
197 after July 1, 1997, with or without hearing, after a written application  
198 for the same has been made and the department has determined that  
199 the applicant meets the requirements of subsection (b) of this section.  
200 Any such permit issued under the provisions of this subdivision (i)  
201 shall be limited to service provided under any such contract, [and] (ii)  
202 with respect to any contract under the provisions of subparagraph (A)  
203 of this subdivision, shall not authorize a total number of motor  
204 vehicles exceeding the number required to provide service existing  
205 under such contract on July 1, 1997, and (iii) shall be surrendered at the  
206 expiration of such contract.

207 [(4) Notwithstanding the provisions of subdivision (1) of this  
208 subsection, the department shall issue to any person who has an  
209 intrastate livery permit for at least one year, upon the application of  
210 such person, up to two additional vehicle authorizations each year  
211 without a hearing and without written notice of the pendency of the  
212 application, if all the existing permits held by such person are  
213 registered and in use and if there are no outstanding violations or  
214 matters pending adjudication against such person. The department  
215 shall have thirty calendar days to issue such amended permit.]

216 (b) In determining whether or not such a permit will be granted, the  
217 Department of Transportation shall [take into consideration] consider  
218 the present or future public convenience and necessity for the service  
219 the applicant proposes to render, the suitability of the applicant or the  
220 suitability of the management if the applicant is a limited liability  
221 company or corporation, the financial responsibility of the applicant,  
222 the ability of the applicant efficiently and properly to perform the  
223 service for which authority is requested and the fitness, willingness  
224 and ability of the applicant to conform to the provisions of this chapter  
225 and the requirements and regulations of the department under this  
226 chapter. The department shall issue a proposed decision for all  
227 hearings, which shall be reviewed by staff of the department's  
228 regulatory and compliance unit. The applicant and any party or  
229 intervenor to the action may file a reply to the proposed decision,  
230 which shall be taken into consideration during the review.

231 (c) Each holder of a livery permit shall pay an annual fee of two  
232 hundred dollars per permit.

233 [(c)] (d) Any interested party may bring a written petition to the  
234 Department of Transportation in respect to fares, service, operation or  
235 equipment, or the convenience, protection and safety of the public  
236 with regard to any carrier operating a motor vehicle in livery service.  
237 Thereupon, the department may fix a time and place for a hearing  
238 upon such petition and give notice thereof. No permit shall be sold or  
239 transferred until the department, upon written application to it setting  
240 forth the purpose, terms and conditions thereof and accompanied by a  
241 fee of two hundred dollars, after investigation, approves the same. The  
242 department may amend or, for sufficient cause shown, may suspend  
243 or revoke any such permit. The department may impose a civil penalty  
244 on any person or any officer of any association, limited liability  
245 company or corporation who violates any provision of this chapter or  
246 any regulation adopted under section 13b-102 with respect to fares,  
247 service, operation or equipment, in an amount not to exceed one  
248 thousand dollars per day for each violation. Prior to the imposition of a  
249 civil penalty under this subsection, the department shall provide notice



250 to said person or officer no later than fifteen business days after receipt  
 251 of information concerning an alleged violation and shall provide an  
 252 opportunity for a hearing.

253 [(d)] (e) The owner or operator of each motor vehicle in livery  
 254 service shall display in such vehicle such permit or a memorandum  
 255 thereof.

256 [(e)] (f) Any person who holds him or herself out to be the operator  
 257 of a motor vehicle in livery service who has not received a permit  
 258 under this section or with the intent to injure or defraud another shall  
 259 be guilty of a class B misdemeanor.

260 (g) No permit shall be sold or transferred within five years after  
 261 being granted by the department and until the department, upon  
 262 written application to it setting forth the purpose, terms and conditions  
 263 thereof, and after investigation, finds that the purchaser or transferee is  
 264 sustainable to operate a livery service after consideration of the factors  
 265 specified in subsection (b) of this section and approves the same. The  
 266 application shall be accompanied by a fee of two hundred dollars per  
 267 permit to be transferred.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2012	13b-97
Sec. 2	from passage	13b-97a
Sec. 3	October 1, 2012	13b-99
Sec. 4	October 1, 2012	13b-103

**Statement of Legislative Commissioners:**

In section 1(a) and section 4(b) "the regulatory and compliance unit" was changed to "the department's regulatory and compliance unit" for clarity, in section 1(c) "two hundred dollars per certificate" was changed to "two hundred dollars" for accuracy, in section 1(d) "to the Department of Transportation" was added for clarity, in section 4(a)(3) duplicative language was removed for clarity, and in section 4(b) "auction" was changed to "action" for accuracy.

**TRA**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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**OFA Fiscal Note****State Impact:**

Agency Affected	Fund-Effect	FY 13 \$	FY 14 \$
Department of Transportation	TF - Revenue Gain	155,600	155,600
Department of Motor Vehicles	TF - Cost	up to 250,000	See Below

Note: TF=Transportation Fund

**Municipal Impact:** None**Explanation**

The bill makes several changes to the taxicab and livery industry.

The bill will result in an annual revenue gain of \$155,600 to the Special Transportation Fund due to:

- An increase to the application fee for a taxicab company to obtain a certificate from \$88 to \$2,000 would result in a revenue gain of \$66,000. If FY 11 there were 33 applications for a taxicab company certificate granted by the Department of Transportation (DOT).
- An established annual fee of \$200 for taxicab and livery certificates would result in a revenue gain of \$87,400. In FY 11 there were 113 taxicab and 324 livery certificates registered to the DOT.
- An increase in the fee to transfer or sell a taxicab certificate from \$88 to \$200 would result in a revenue gain of \$2,200. In FY 11 there were 11 sale and transfer taxicab certificates registered with the DOT.

The bill requires the DMV to record all civil penalties against a taxicab driver which will cost up to \$250,000 for FY 13 for program

redesign of the Driver History System.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sHB 5368*****AN ACT CONCERNING THE MODERNIZATION OF THE STATE'S TAXICAB INDUSTRY.*****SUMMARY:**

This bill makes a number of changes to the laws regulating taxicabs and livery vehicles. For taxis, it:

1. increases the application fee for people seeking a certificate to operate a new taxi company from \$88 to \$2,000, and requires applicants to have at least five taxis;
2. imposes a \$200 annual fee for each certificate;
3. exempts taxis from child safety seat requirements;
4. increases, from biennially to annually, how often taxis must be inspected;
5. requires the Department of Motor Vehicles (DMV) to record, on a taxi driver's motor vehicle record, the imposition of a civil penalty against a driver who violates service issues in his or her control;
6. requires a taxi company to provide at least two years of satisfactory service in its territory before serving passengers at Bradley International Airport; and
7. makes other changes to taxi laws.

It changes laws regarding livery companies by, among other things, requiring livery services that transport people under contract with federal, state, or local agencies to surrender their livery permits when these contracts expire, imposing a \$200 annual permit fee, and

prohibiting a livery company from selling or transferring a livery permit for five years after receiving the permit.

EFFECTIVE DATE: October 1, 2012, except for eliminating the Department of Transportation's ability to allow taxi companies to operate in or out of their territory on an emergency basis, which is effective on passage.

## **CHANGES TO TAXI LAWS**

### ***Certificates of Convenience and Necessity***

By law, people, associations, limited liability companies, and corporations seeking to operate a new taxi company must obtain a Department of Transportation (DOT) certificate that public convenience and necessity require the operation of taxis in a specific territory. The bill increases the application fee for such a certificate from \$88 to \$2,000, and requires new applicants to have at least five taxis.

In deciding whether to issue a certificate, current law requires DOT to consider, among other things, the applicant's criminal and motor vehicle record and financial resources. The bill requires DOT to also consider proof that (1) the applicant has a dispatch system able to simultaneously communicate with all of his or her cabs and (2) service in the requested territory will be available 24 hours a day, seven days a week.

### ***Two-Year Wait to Serve Bradley International Airport***

Current law allows a taxi company to solicit, receive, and discharge passengers at Bradley International Airport, subject to a formal agreement with the transportation commissioner, as long as the agreement does not take precedence over the company's obligation to serve its territory. The bill additionally requires that, before serving Bradley, a company prove to DOT that its service in its territory has been (1) active and adequate and (2) in compliance with all laws and regulations, for two years.

### ***Other Changes***

The bill also:

1. requires DMV to record, on a taxi driver's driver control record, the imposition of a civil penalty against a taxi driver who violates service issues in his or her control (the bill does not define "service issues");
2. exempts taxis from the requirement that people who transport children of certain ages and sizes in motor vehicles use child restraint systems;
3. requires that taxis be inspected annually, rather than biennially, by licensed repairers authorized by DMV (but the bill leaves unchanged the requirement that these inspections occur when a taxi's registration is renewed, which remains biennially) ;
4. requires DOT to issue proposed taxi certificate hearing decisions for review by its regulatory and compliance unit, allows the applicant and any party or intervenor in such an action to reply to the proposed decision, and requires the regulatory and compliance unit to consider the reply;
5. imposes an annual fee of \$200 per certificate and increases the application fee to sell or transfer a taxi company from \$88 to \$200 per certificate; and
6. eliminates DOT's ability to amend a taxi certificate. (But the department may still suspend or revoke a certificate for cause.)

The bill also eliminates laws:

1. allowing DOT, without a hearing, to amend a certificate to increase the number of taxis operated by a certificate holder if no objection is filed within 30 days of the publication of such a request;
2. barring DOT from considering unregistered cabs as a reason to deny a request for additional cabs in a particular territory; and

3. authorizing DOT, in an emergency situation and without a hearing, to give a certificate holder temporary authority to operate taxi service in or outside the holder's territory for up to 180 days.

### **CHANGES TO LIVERY SERVICE LAWS**

By law, people, associations, limited liability companies, or corporations seeking to operate a livery service must first obtain a DOT permit specifying the nature and extent of the service and certifying that public necessity and convenience will be improved by the service. The bill imposes an annual fee of \$200 per permit.

DOT may issue temporary or permanent livery permits to livery services that transport people under contract with a federal, state, or municipal agency. The bill requires livery companies to surrender these permits when these contracts expire.

As with taxi companies, the bill requires DOT, when deciding whether to grant a livery service permit, to issue a proposed hearing decision that its regulatory and compliance unit must review. The applicant, any party, or an intervenor may reply to the decision and this reply must be considered in the review.

By law, a livery company seeking to sell or transfer a livery permit must pay a \$200 application fee and describe to DOT, in writing, the purpose, terms, and conditions of the transaction. DOT must investigate before approving the sale or transfer. The bill prohibits a livery company from selling or transferring a permit for five years from the time DOT issues it. It requires DOT, before approving the transaction, to find that a buyer or transferee is "sustainable" to operate a livery service after investigating such factors as the buyer or transferee's financial responsibility and its ability to perform the service and obey applicable laws and regulations. It does not define sustainable.

The bill eliminates a law requiring DOT to authorize, if certain conditions are met and without a hearing or notice, two additional



vehicles a year to an intrastate permit holder who has held a permit for at least one year.

**COMMITTEE ACTION**

Transportation Committee

Joint Favorable Substitute

Yea 34      Nay 3      (03/14/2012)